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CENTRAL INTELLIGENCE AGENCY

12 July 1960

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Italy in Crisis

1. The general strikes and bloody political rioting in Italy represent a deepening of the crisis which paralyzed the country during much of the Spring. This crisis resulted from the collapse of the center and its inability to agree on any consistent policy. The Tambroni government was reluctantly accepted, in spite of the fact that it depended on Fascist votes, in an attempt to buy time in which to resolve the political dilemma. Though it had severely limited powers, it is now under fire from both Left and Right extremes. Regardless of the outcome of the immediate disorders, the underlying crisis in Italy cannot be resolved until fundamental alterations are made in the political status quo.

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2. The recent demonstrations and riots were touched off by the Fascists who, by scheduling a national convention in the anti-Fascist stronghold of Genoa, provoked vigorous reactions from broad sections of the public. The Communists speedily capitalized on this popular revulsion to Fascism by organizing demonstrations in Genoa and several other Northern cities. The Fascists responded with counter demonstrations and threats to topple Tambroni by withdrawing their parliamentary support. As the situation deteriorated into a series of pitched battles between demonstrators and police it became clear that the Communist aim was to discredit the government by creating situations in which police were repressing popular demonstrations against Fascism.

3. An equally important goal of Communist strategy is to break up the flirtation between the Nenni Socialists (PSI) and the CD and, if possible, force the PSI back into a Communist-dominated popular front. The PSI's evident interest in the emergence of a left-leaning CD centrist coalition government which it would support has led to increasingly bitter polemics between the Communists and the Socialists in recent months.

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The Communists almost certainly believe that the reemergence of the anti-Fascist issue, with its profound emotional appeal to working class solidarity, offers an ideal opportunity for pulling the PSI back into its orbit, thereby leaving the CD isolated and identified in popular thinking with the right. This would be a shrewd move in the Communist long term aim to destroy the center.

Prospects

4. The present riots can probably be contained by the Police. However, in a situation where tempers are rising on all sides, and where open violence has erupted in the Chamber of Deputies, the growth of extremist pressures could rapidly become dangerous. If there is no solution within a short time the disintegration of the center will accelerate. Whatever happens, the present government formula (i.e., CD acceptance of Fascist support) and probably Tambroni himself will almost certainly soon be jettisoned. Even if the Fascist deputies have second thoughts about their threatened withdrawal of support for the government, the rank-and-file of CD deputies, who reluctantly accepted the Tambroni formula in the first place, will probably consider it politically suicidal now that popular anti-Fascist sentiments have been aroused.

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5. After the departure of Tambroni Italy will have returned to the situation it confronted this Spring, but with tensions at a higher pitch, and the extremes more assertive than before. Some effort may be made to piece together a center coalition which could once more serve as an emergency stop-gap. However, the CD failed to pull this off in April, and recent events will not have increased the disposition of the minor parties, especially the Republicans and Social Democrats to enter such a coalition. Even if the old center coalition were reconstituted we do not believe it could survive for long under the growing pressures from the flanks. A Left-led CD minority government, even if it could be invested, would probably also be short-lived because of opposition within the CD party itself.

6. The only prospect for easing the political situation on any long range basis appears to be an opening to the Left coalition government led by the CD with the participation of the PSDI and PRI and at least the benevolent abstention of the PSI. There are strong pressures within the CD itself to adopt this formula, but such a move is bitterly opposed on the right

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of the CD and by the Vatican, and might result in so many defections from the CD as to jeopardize the viability of such a government. Opposition from these quarters would be greatly strengthened if the PSI in the present disorders appears to be closely identified with the Communists.

7. We believe Nenni has too much invested in his long campaign to accommodate his party to the CD to abandon the effort easily and return to close cooperation with the Communists. However, he would have little choice if the CD definitely turned to an alliance with the extreme Right, or if there was another dramatic failure of an opening to the Left, which would once and for all convince the Socialist rank-and-file that PSI-CD cooperation was a lost cause. Moreover, if the present disorders continue for some time there is a danger that new incidents involving the "martyrdom" of PSI militants and bitter clashes between the PSI and government security forces might create differences too wide to overcome.

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8. Finally, although we consider it unlikely, we feel there is some danger that at any time rightists might attempt to impose an authoritarian rule on Italy, to forestall other solutions. Tambroni, himself, might be so motivated, if he felt his control of the police and army were sufficient. If such a move were attempted it would almost certainly fail, but would tend to unite the various forces of the Left.

FOR THE BOARD OF NATIONAL ESTIMATES:

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SHERMAN KENT
Chairman

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